

**Snapshot U.S. Market Trends**  
**Salted Snacks**  
**April 2005**

*This brief provides overseas FAS personnel, USDA cooperators and private companies with a “snapshot” of U.S. market trends for salted snacks, worth an estimated \$24.0 billion in 2004.*

**1. What are salted snacks?**

Salted or “savory” snacks are potato chips, tortilla/tostada chips, corn snacks, pretzels, snack nuts/seeds/corn nuts, popcorn (ready-to-eat - “RTE” - and microwave), cheese snacks, meat snacks (jerky, meat sticks and “other” such as pickled or kippered), pork rinds and “other” (a catchall category for hybrids). (Refer to Appendix: Table 1 – 2003 Salted Snack Sales by Category).

**2. Why is this sector so significant?**

Salted snacks are a large market in the United States, worth \$23.5 billion in 2003 (the last full year SKU data is available) compared to \$15.1 billion in 1994, a 55.6 percent jump. Sales are projected to remain essentially flat at \$24.0 billion for 2004. (See Appendix: Table 2 – Total Salted Snack Sales 1994-2003). The top three categories were potato chips (\$6.0 billion), tortilla/tostada chips (\$4.5 billion) and meat snacks (\$2.4 billion) that together comprise 55 percent of total sales. The top three growth categories from 2002 were pork rinds (+37.4%), snack nuts/seeds/corn nuts (+15.9 %) and meat snacks (+14.4 %), thanks in large part to the popularity of the Atkins diet and other high protein, low carb diets. Most products in every category (except meat snacks and pork rinds sold mostly at convenience stores) are distributed in supermarkets. Americans have snacks between meals, to accompany meals and in place of meals. As the pace of life accelerates, Americans snack more - while relaxing, socializing or working.

**3. What are the key industry issues for salted snacks?**

- **Wellness/Obesity** – public health concerns prompt the snack industry to offer healthier products with added whole grain or reduced/eliminated trans fat or sodium.
- **New nutritional and ingredient labeling requirements** - By January 1, 2006, food manufacturers will need to list the amount of transfat in the Nutrition Facts panel. Refer to the U.S. Food and Drug Administrations FDA Backgrounder on the final rule for trans fat: <http://www.fda.gov/oc/initiatives/transfat/backgrounder.html> An amendment to the Food Allergy Labeling and Consumer Protection Act (FALCPA) mandates labeling requirements for eight major allergens (milk, egg, fish, crustacean shellfish, tree nuts, wheat, peanuts and soybeans) in food after January 1, 2006. Allergens in the ingredient statement must be in plain language. Refer to <http://www.shamrockbay.com/FA/FoodAllergenProtection.shtml>
- **Acrylamide** - Swedish scientists in 2002 presented research that showed trace levels of this probable human carcinogen and neurotoxicant in some baked and fried foods. The industry is working to develop processing and cooking techniques that lower the amount of acrylamide that is naturally present in food. To access the International Food Information Council Foundation’s paper on the subject, entitled “Questions and Answers about Acrylamide” refer to <http://www.ific.org>

- **State-level snack taxes** – attempts to pass legislation in Maryland, Texas and Illinois were unsuccessful last year. Refer to: <http://www.snackandbakery.com> (January 2005 issue).

#### **4. What are the overall trends in the U.S. salty snack market?**

According to her presentation at the Snack Food Association's (SFA) trade show last March, Valerie Skala Walker of Information Resources, Inc. (IRI) talked about innovation driving growth, but she stated that getting a product noticed and developing the right type of innovation were the challenges. Competition is fierce. When viewing snack brand growth, manufacturers sustain such growth by extending existing brand lines and by keeping pace with population and market growth. Alternatively, they create market opportunities by improving quality, by offering otherwise unobtainable products or services or by expanding to a related category such as using *Oreo's* as an ingredient for other desserts. (Refer to Table 3: Major Salted Snacks & New Attributes in 2003). Think convenience (longer shelf life, less preparation, packaging that makes snacks easier to carry), health (reduce sugar, bad fat or calories; add nutrients like fiber or whole grain; look to natural, organic, vegetarian) and quality (high flavor).

#### **5. What are the product trends?**

Snack nuts are now considered an everyday snack because of perceived health benefits such as unsaturated or "good" fat and antioxidants for heart health and high levels of omega-3 fatty acids for heart health and lowering cholesterol. Much of the growth in this category was due to private label. Valerie Skala Walker of IRI further stated that *Nabisco Ritz Chips* captured eighth position in the top 10 new food brands of 2003-2004. Other snack products to watch in 2005 include *Frito-Lay Light* and *Nabisco 100 Calorie Packs*. Sales of salsa in 2004 reached \$22.4 million, a 3.4 % increase from a year ago according to *Infoscan Reviews*. She presented her views for CY 2004 on the major salted snack categories:

- Potato chips (potato chip sales dollar sales flat, but kettle chip sales are growing);
- Tortilla chips (dollar sales up, but volume sales down);
- Cheese snacks (dollar sales up, volume sales down, *Chee-tos* doing well);
- Pretzels (dollar sales and volume sales down – manufacturers need to look at options to bring more excitement such as look into new shapes to interest kids, plus dipping and topping options);
- Corn chips (dollar sales and volume sales down, high fat content will continue to be a problem in 2005);
- RTE popcorn (dollar sales and volume sales down, high fat content will continue to be a problem in 2005);
- Pork rinds (dollar sales and volume sales up driven by low carb diets in 2003 and 2004, but this is slowing);
- Other salted snacks (dollar sales and volume sales up). Growth was driven by snack mixes from Nabisco, Pepperidge Farms, and Frito-Lay; natural/organic products like *Terra Chips* and Snyder's *Eat Smart*.

**6. How has the growth of the U.S. Hispanic market affected the salted snack industry?**

According to Carlos Garcia, President of Garcia Research, more than 38 million U.S. Hispanics or 14 percent of the total U.S. population have a buying power worth \$650 billion. One-third of this dynamic market is younger than 18 years old. Viewed another way, by 2010, only Mexico will have a larger Hispanic population. U.S. marketers have taken notice. Witness the increasing popularity of new snack flavors such as *jalapeño*, *salsa verde*, *picante*, tequila and lime, nacho and *habanero*. Effective promotion will depend on knowing this diverse group and their buying habits.

**7. What kinds of salted snacks are U.S. imports and exports?**

U.S. import and export data do not track snack food products in the way the industry does. (*Refer to Appendix: Table 4 – U.S. Exports vs. U.S. Imports of Salted Snacks in 2004 Compared to 2000*). Only certain categories match – potato chips, corn snacks and popcorn. All other categories are placed in broad categories that have either non-snack items or like items for industrial use rather than for retail sale. Therefore, if we look specifically at the potato chip, corn snack and popcorn categories in 2004, the United States exported \$337 million, with Canada as the biggest customer purchasing about a third. Japan was second best customer for potato chips and corn snacks. Snack items like *Pringles* potato chips, packaged to withstand transport and variable weather are popular overseas. The United States imported about \$168 million worth of salted snacks from all sources. Mexico was the premier supplier of potato chips and corn snacks.

**8. How can American/foreign buyers contact U.S. suppliers?**

Contact Christopher Clark, SFA's Vice President of Membership and Administration, for names of suppliers. He may be reached by phone at 703-836-4500, fax 703-836-8262 or e-mail at [cclark@sfa.org](mailto:cclark@sfa.org). Suppliers may also be found in the *2005 Baking/Snack Directory and Buyers Guide* by logging into <http://www.snackandbakery.com/guide>. SFA holds major trade show every year where buyers can meet industry contacts and get a glimpse of future trends including retail products, ingredients, machinery, packaging and software. Next year's "SNAXPO" will be held in March 2006. Judith Barth, SFA's Vice-President for Marketing and Member Programs, coordinates this major event (phone: 703-836-4500, extension 219 or e-mail: [jbarth@sfa.org](mailto:jbarth@sfa.org)). Log into <http://www.sfa.org> for details.

**9. How should I keep up on industry developments?**

To keep up on snack trends, refer to a publication called *Snack Food and Wholesale Bakery (SFWB)*. Two years worth of trends may be accessed through their site (<http://www.snackandbakery.com>). The Snack Food Association (SFA), which serves as the voice of the salted snack industry, regularly contributes articles written by staff members on important and timely issues that concern the trade. The joint SFA/SFWB *State of the Industry* is normally published in the *SFWB* magazine's June issue and is available for a fee. There's also *New Products Magazine, Food and Beverage from Concept to Consumer* that talks about new products and trends. The e-magazine is available at <http://www.newproductsmag.com>.

**For questions or comments, contact: Joani Dong, Senior Market Analyst, USDA, Foreign Agricultural Service, Processed Products Division. (Phone: 202-720-9833 or email: [Joani.Dong@usda.gov](mailto:Joani.Dong@usda.gov)). Foreign buyers may contact FAS offices overseas for assistance (<http://www.fas.usda.gov>).**

## *Appendix*

**Table 1: 2003 Salted Snack Sales by Category  
(Percent Increase/Decrease from 2002)**

Category	\$Sales (billions)	Pound Volume (billion)
Potato Chips	\$ 6.1 ( 1.5%)	1.8 (- .3%)
Tortilla/Tostada Chips	4.5 ( 1.1%)	1.5 ( .2%)
Corn Snacks	.9 (- 2.0%)	.3 (- 2.6%)
Pretzels	1.3 (- 2.0%)	.5 (- 6.4%)
Snack Nuts/Seeds/Corn Nuts	2.3 ( 15.9%)	.6 ( 12.5%)
Microwave Popcorn	1.4 ( 2.8%)	.5 (- 1.8%)
RTE Popcorn	.4 (- 3.9%)	.1 (- 5.6%)
Cheese Snacks	1.2 ( 10.9%)	.4 ( 7.1%)
Meat Snacks	2.4 ( 14.4%)	.2 ( 14.7%)
Pork Rinds	.6 ( 37.4%)	.1 ( 36.8%)
Variety Pack	.3 (- 3.9%)	.1 (- 1.6%)
Other	2.1 ( 2.0%)	.4 ( 4.2%)
<b>Total</b>	<b>\$23.5 ( 4.5%)</b>	<b>6.5 ( .2%)</b>

*Source: Snack Food Association, Information Resources, Inc. and ACNielsen, a VNU company*

**Table 2: Total Salted Snack Sales  
1994-2003 - 10 years  
(Percent Increase/Decrease from 2002)**

Year	Sales (\$billions)	Pounds Volume (billions)
2003	\$23.47 (4.5%)	6.52 ( 0.2%)
2002	22.46 (2.9%)	6.51 ( 0.6%)
2001	21.80 (5.1%)	6.47 ( 1.4%)
2000	20.69 (6.3%)	6.38 ( 3.3%)
1999	19.38 (6.2%)	6.17 ( 4.4%)
1998	18.17 (7.3%)	5.90 ( 2.2%)
1997	16.84 (8.5%)	5.77 ( 2.8%)
1996	15.41 (2.1%)	5.61 ( 1.3%)
1995	15.09 (0.3%)	5.54 (-2.7%)
1994	15.05 (2.6%)	5.69 ( 3.0%)

*Source: Snack Food Association, Information Resources, Inc., and ACNielsen, a VNU company*

**Table 3: Major Salted Snacks & New Attributes in 2003**

This table was constructed using information extracted from the *Snack Food Association's 2004 State of the Industry* report in the publication, *Snack Food and Wholesale Bakery*. Here's a snapshot view of how major categories fared in 2003 in the United States:

Category	\$Sales – All retail outlets – SFA estimates	Category leader for supermarket, drugstore and mass merchandiser excluding <i>W-Mart</i> – <i>IRI</i> estimates	Top brands for category; percent dollar share of total market – <i>IRI</i> estimates	Examples of new flavors/attributes/promotional strategy
1. Potato Chips	\$6.0 billion	Frito-Lay	<ul style="list-style-type: none"> <li>▪ <i>Lay's</i> (30.6%)</li> <li>▪ <i>Ruffles</i> (12.2%)</li> <li>▪ <i>Wavy Lay's</i> (11.2%)</li> <li>▪ <i>Pringles</i> (8.4%)</li> <li>▪ Private Label (4.9%)</li> </ul>	Ketchup, steak & Worcestershire sauce, low-fat, mesquite BBQ kettle chips, jalapeno and cheddar kettle chip, wavy style (organic) chip.
2. Tortilla/Tostada Chips	\$4.5 billion	Frito-Lay	<ul style="list-style-type: none"> <li>▪ <i>Doritos</i> (38.2%)</li> <li>▪ <i>Tostitos</i> (23.7%)</li> <li>▪ <i>Tostitos Scoops</i> (6.8%)</li> <li>▪ Private Label (4.7%)</li> </ul>	Margarita lime tortilla chips, creamy ranch tortilla chips, cheesy nacho tortilla chips, guacamole tortilla chips. Red bean 'n rice all-natural corn tortilla chip, bite size tortilla chips.
3. Popcorn (Ready-to-eat "RTE" & microwave)	\$444.3 million	<i>RTE:</i> Frito-Lay  <i>Micro-wave:</i> Conagra	<ul style="list-style-type: none"> <li>▪ <i>Smart Food</i> (16.9%)</li> <li>▪ <i>Poppycok</i> (10.4%)</li> <li>▪ <i>Orville Redenbacher</i> (19.5%)</li> <li>▪ <i>Pop Secret</i> (16.0%)</li> <li>▪ Private Label (10.9%)</li> </ul>	Whole grain popcorn, cinnamon gourmet flavored.  Microwaveable popcorn based on <i>Scooby-Doo</i> cartoon characters that transforms into different shapes and is made with healthy sunflower oil, gourmet lite yellow cheddar, gourmet lite white cheddar, gourmet lite caramel.
4. Pretzels	\$1.2 billion	Frito-Lay	<ul style="list-style-type: none"> <li>▪ <i>Rold Gold</i> (30.4%)</li> <li>▪ <i>Snyders of Hanover</i> (26.5%)</li> <li>▪ Private Label (10.8%)</li> <li>▪ <i>Utz</i> (4.9%)</li> </ul>	Pretzel shaped like a heart inside a heart, saturated fat-free, lower in sodium, cholesterol-free, round shaped pretzel, white chocolate-covered, sourdough pretzels, bite-size pretzel braid in a buttery flavor.
5. Snack Nuts	\$2.3 billion	Kraft Foods	<ul style="list-style-type: none"> <li>▪ <i>Planters</i> (32.8%)</li> <li>▪ Private Label (26.9%)</li> </ul>	New product called <i>Nut Poppers</i> (crunchy outside of roasted peanut). Reposition as contemporary to attract younger and more active audience. Publicize that nuts have unsaturated fats & walnuts have omega-3's help reduce risk of heart disease and stroke as well as help people control weight if eaten in moderation. New canister packaging so for holding in one hand or in resealable bags.

**Table 3: (Continued)**

Category	\$Sales – All retail outlets – SFA estimates	Category leader for supermarket, drugstore and mass merchandiser excluding <i>W-Mart</i> – <i>IRI</i> estimates	Top brands for category; percent dollar share of total market – <i>IRI</i> estimates	Examples of new flavors/attributes/promotional strategy
6. Meat Snacks	\$2.4 billion	Oberto Sausage Co.	<ul style="list-style-type: none"> <li>▪ <i>Oberto</i> (22.6%)</li> <li>▪ <i>Jack Link's</i> (15.9%)</li> <li>▪ <i>Slim Jim</i> (15.9%)</li> </ul>	<i>Oberto's</i> success due in part to promoting to the Hispanic market. Beef jerky 97% fat-free (shredded or in a tub), pickled sausage, soy-flavored kippered beefsteak nugget, Italian style beef jerky, Pemmican nuggets in new moist steak tips, jalapeno and cheddar and chili and lime. Individually wrapped <i>Slim Jim</i> meat sticks in a canister.
7. Cheese Snacks	\$1.2 billion	Frito-Lay	<ul style="list-style-type: none"> <li>▪ <i>Chee-tos</i> (70.0%)</li> </ul>	White cheddar.
8. Pork Rinds	\$645.2 million	Frito-Lay	<ul style="list-style-type: none"> <li>▪ <i>Baken-Ets</i> (data not given)</li> </ul>	Hot-flavored, salt & vinegar, BBQ.
9. Other Snacks (hybrid or blended)	\$2.1 billion	Hain's Celestial Group (natural, specialty snack company)	<ul style="list-style-type: none"> <li>▪ <i>Terra Chips</i> (data not given)</li> <li>▪ <i>Garden of Eatin'</i> (data not given)</li> </ul>	Red bliss, blue and potpourri vegetable chips, pita chips, cheddar & bacon flavored potato skins.

**Table 4 – U.S. Exports vs. U.S. Imports of Selected Snacks  
in 2000 Compared to 2004**

These are HS codes typically used by the snack food industry:

Industry Category	Schedule B Census HS Description	HS Code	Export Value (\$Millions)		Import Value (\$Millions)	
			2000	2004	2000	2004
<b>Potato Chips</b>	Potato chips, prepared and preserved	2005.20.00.20	225.7	183.2 Canada: 53.1 Japan: 27.3 Mexico: 24.9 Taiwan: 11.0 S. Arabia: 10.7	32.5	96.3 Mex: 58.7 Can: 36.6
<b>Corn Snacks</b>	Corn chips & similar crisp savory snack foods	1905.90.90.30	72.9	73.4 Canada: 24.0 Japan: 6.8	42.0	71.7 Mex: 22.8 Can: 22.8
<b>Popcorn</b>	Popcorn, ex seed	1005.90.40.40	65.1	No data	.3	.5 Can: .4
	Popcorn, microwave	1005.90.40.41	No data	55.2 Can: 32.9	Not available.  Same HS code not used for import	Not Available.  Same HS code not used for import
	Popcorn, ex seed	1005.90.40.49	No data	25.3 Mex: 3.7 Jap: 2.4	Not available.  Same HS code not used for imports	Not available.  Same HS code not used for imports
Chips	Refer to 1905.90.90.30 used for corn snacks	N/A	N/A	N/A	N/A	N/A
Pretzels	Other (than corn chips and similar crisp savory snack foods)	1905.90.90.90	79.4	84.5 Canada: 58.0 Mexico: 9.3	63.4	61.4 Mexico.: 32.9 Canada: 13.2
Walnuts	Walnuts, shelled	0802.32.0000	77.3	148.9 Japan: 34.4 Germany: 17.7	.6	.5 Turkey: .2
	Walnuts, p/p	2001.90.5000	HS code not used for exports	HS code not used for exports	Insignificant	Insignificant
Snack Nuts	Peanuts, blanched	2008.11.20.00	17.7	22.2 Norway: 5.3 Canada: 3.6	Not available.  Same HS code not used for imports	Not available.  Same HS code not used for imports
	Peanuts, blanched	2008.11.2500	HS code not used for export	HS code not used for export	7.5	6.5 China: 5.0 Argentina: 1.4

**Table 4: (continued)**

Industry Category	Schedule B Census HS Description	HS Code	Export Value (\$Millions)		Import Value (\$Millions)	
			2000	2004	2000	2004
	Peanuts, blanched	2008.11.3500	HS code not used for export	HS code not used for export	Insignificant	Insignificant
	Peanuts, p/p	2008.11.4200	HS code not used for export	HS code not used for export	Insignificant	Insignificant
	Peanuts, p/p	2008.11.4500	HS code not used for export	HS code not used for export	1.2	1.3 China: .5 Canada: .3
	Peanuts, p/p, other	2008.11.6000	HS code not used for export	HS code not used for export	.5	1.4 Mexico 1.4
	Peanuts (ground nuts) prepared/preserved NESOI	2008.11.90.00	11.5	7.6 Canada: 4.4	Not available.  Same HS code not used for imports	Not available.  Same HS code not used for imports
	Brazil nuts, prepared/preserved NESOI	2008.19.10.20	.3	1.2 Mexico: .6	.2	.1 Lebanon: .07
	Cashews, prepared/preserved NESOI	2008.19.10.40	4.6	6.1 Canada: 5.1	16.8	29.2 Thailand: 8.2 Brazil: 6.2 India: 5.5
	Pine nuts	2008.19.30.10	Insignificant	Insignificant	Insignificant	.4 Thailand: .3 China: .1
	Pistachios, P/P NESOI	2008.19.30.20	35.1	30.4 Canada: 7.5 China: 3.5	.9	2.1 Turkey: 1.2
	Almonds, P/P NESOI	2008.19.40.00	34.6	72.9 Spain: 10.6 Canada: 8.7	.5	6.7 China: 2.6 Thailand: 1.1
	Mixtures of nuts, peanuts or other seeds, P/P NESOI	2008.19.85.00	11.9	20.0 Canada: 9.1	.4	1.8 Canada: 1.5
	Macadamia nuts, P/P NESOI	2008.19.90.10	10.8	6.2 Japan: 2.8	1.0	1.8 Kenya: 1.3
	Nuts or seeds, NESOI, otherwise P/P, whether or not containing sweetening or spirit, NESOI	2008.19.95.00	21.1	28.5 Mexico: 13.4 Canada 3.5	Same HS code not used for imports	Same HS code not used for imports

**Table 4: (Continued)**

Industry Category	Schedule B Census HS Description	HS Code	Export Value (\$Millions)		Import Value (\$Millions)	
			2000	2004	2000	2004
Cheese Snacks	No code that matches. <b>Refer to 1905.90.90.90 used for pretzels</b>	N/A	N/A	N/A	N/A	N/A
Meat Snacks	Other (than prepared meats containing cereals or vegetables)	1602.50.95.00	54.7	39.6 Canada: 35.1	Same HS code not used for imports	Same HS code not used for imports
Pork Rinds	Other (than swine boned and cooked and packed in airtight containers_	1602.49.40.00	5.2	4.4 Korea: 1.8 Hong Kong: 1.2	5.9	8.7 Denmark: 5.8

Data Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

**Note:** P/P = prepared and preserved  
NESOI = not elsewhere specified or identified.